

Matthew Denn
Insurance Commissioner



Department of Insurance
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September 14, 2007

The Honorable Jennifer Davis
Director, Office of Management and Budget
Haslet Building
Dover, DE 19901

The Honorable John Hughes
Secretary, Department of Natural Resources and Environmental Control
89 Kings Highway
Dover, DE 19901

Russ Larson
Controller General
Legislative Hall
Dover, DE 19901

Arnetta McRae
Chair, Delaware Public Service Commission
861 Silver Lake Blvd.
Dover, DE 19904

Dear Director Davis, Secretary Hughes, Controller General Larson and Chairwoman McRae:

As you know, I have been closely following the energy generation issue before you. Health care is my highest priority as Insurance Commissioner and I believe the proposal of a wind farm offers substantial health benefits for current and future Delawareans.

I have seen a copy of the letter you received yesterday from Bluewater Wind. I understand from that letter that an issue has arisen with respect to Delmarva Power's willingness to disclose the formula that it will use to calculate the ultimate cost to Delmarva ratepayers of a wind park off the Delaware coast.

Under any circumstances, I would encourage you to require Delmarva to disclose this information. The cost to ratepayers of this proposed wind park is a critical factor that you must consider in carrying out your statutory duties, and the public has a right to examine how that cost is being calculated. In the circumstances in which we now find ourselves, it is doubly important that this information be disclosed. Delmarva has made clear from the beginning of this process

that it is considering wind power only because it has been ordered to do so. The state should not blindly rely upon the company that is the chief opponent of the Bluewater Wind project to calculate that project's cost.

Once a real determination of the cost of the Bluewater Wind project has been calculated, I hope you will consider the project's health benefits in making your ultimate decision in this matter. The upfront and stated cost of any method of power generation that includes discharges into the water and/or air does not include the monetary impact of that source on people's health and our state's environment. As I indicated to you in a letter last spring, it is common sense that a primary power generation source with virtually no emissions will be better for the health and environment of Delawareans than ones that emit tons of pollutants, and it will no doubt be cheaper in those respects as well. I urge you to take these very real costs into account in your deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Denn", with a stylized, flowing script.

Matthew Denn
Insurance Commissioner